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July 1, 2002

VIA OVERNIGHT DELIVERY

WC. 02-190

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Wireline Competition Bureau  
P.O. Box 358145  
Pittsburgh, PA 15251-5145

**Re: In the Matter of the Application of Cypress Communications Operating Company, Inc. and MCI WorldCom Communications, Inc., MCI WorldCom Communications of Virginia, Inc., Intermedia Communications, Inc., Intermedia Communications of Virginia, Inc., and Access Network Services, Inc. for Authorization Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Certain Telecommunications Services Provided to Shared Tenant Service Customers**

Dear Ms. Dortch:

On behalf of Cypress Communications Operating Company, Inc. ("Cypress Operating Company") and MCI WorldCom Communications, Inc., MCI WorldCom Communications of Virginia, Inc., Intermedia Communications, Inc., Intermedia Communications of Virginia, Inc., and Access Network Services, Inc. (together, the "WorldCom Applicants") (Cypress Operating Company and WorldCom Applicants collectively, "Applicants"), please find an original and six (6) copies of an application for Commission approval to enable WorldCom Applicants, each a domestic interstate communications common carrier, to transfer to Cypress Operating Company the local and long distance services provided by the WorldCom Applicants to customers at shared tenant services locations. Also enclosed is check in the amount of \$815.00, payable to the Federal Communications Commission, which satisfies the filing fee required for this application under line 2.b of Section 1.1105 of the Commission's rules.

Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined international section 214 transfer of assets application and domestic section 214 transfer of assets application ("Combined Application"). Applicants are simultaneously filing the Combined Application with the International Bureau, in accordance with the Commission's rules.

Marlene H. Dortch, Secretary  
July 1, 2002  
Page 2

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please do not hesitate to contact us if you have any questions regarding this filing.

Respectfully submitted,



Jean L. Kiddoo  
Kathy L. Cooper

Counsel to Applicants

Enclosure

cc: John W. Sidgemore (WorldCom)  
Karen M. Johnson (WorldCom)  
Gregory P. McGraw (Cypress)  
Deena Snipes (Cypress)

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of the Application of  
  
CYPRESS COMMUNICATIONS  
OPERATING COMPANY, INC.

and

MCI WORLDCOM COMMUNICATIONS, INC.  
MCI WORLDCOM COMMUNICATIONS OF  
VIRGINIA, INC.  
INTERMEDIA COMMUNICATIONS, INC.  
INTERMEDIA COMMUNICATIONS OF  
VIRGINIA, INC.  
ACCESS NETWORK SERVICES, INC.

For Authorization Pursuant to Section 214 of the  
Communications Act of 1934, as Amended, to  
Transfer Certain Telecommunications Services  
Provided to Shared Tenant Service Customers

File No. cc-02-190

File No. ITC-T/C-2002-     

APPLICATION

Cypress Communications Operating Company, Inc. ("Cypress Operating Company") and the above-captioned operating subsidiaries of WorldCom, Inc. (together "Applicants"), through their undersigned counsel, hereby request authorization pursuant to Section 214 of the Communications Act of 1934, as amended,<sup>1</sup> and sections 63.03, 63.04, 63.12 and 63.18(e)(3) of the Commission's rules,<sup>2</sup> to enable MCI WorldCom Communications, Inc., MCI WorldCom

<sup>1</sup> 47 U.S.C. § 214 (the "Act").

<sup>2</sup> 47 C.F.R. §§ 63.03, 63.04, 63.12 & 63.18(e)(3). This combined domestic and international 214 application is being filed pursuant to the FCC's new rules under section 63.04 and 63.18. See In the Matter of Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations, Report and Order, CC Docket No. 01-150 (rel. Mar. 21, 2002).

Communications of Virginia, Inc., Intermedia Communications, Inc., Intermedia Communications of Virginia, Inc., and Access Network Services, Inc. (collectively, "WorldCom Applicants"), to transfer to Cypress Operating Company the local and long distance services provided by the WorldCom Applicants to customers at shared tenant services ("STS") locations. This transfer is part of a larger transaction involving the sale of WorldCom Inc.'s ("WorldCom's") STS business to Cypress Communications, Inc. ("Cypress Communications"), the parent company of Cypress Operating Company (collectively "Cypress"). This proposed transaction will not result in a loss or impairment of service, and thus, this application is being filed pursuant to sections 63.18 and 63.04 of the Commission's rules.<sup>3</sup>

## **II. DESCRIPTION OF THE TRANSACTION**

Shared tenant services consist generally of a package of single-source, managed communications solutions to small- and medium-sized businesses that are offered on a location-specific basis to tenants in multi-tenant office buildings and complexes. It enables such businesses to reap the advantages of advanced communications expertise, equipment and technology that would otherwise only be available to their larger competitors. In connection with a review of its business lines, WorldCom has decided to focus its business plans in areas other than the highly specialized shared tenant services market. Accordingly, Cypress Communications, WorldCom, and certain WorldCom subsidiaries have entered into an Asset Purchase Agreement ("Agreement") dated as of May 31, 2002, whereby Cypress will acquire WorldCom's shared tenant service business nationwide, including the provision of local and long distance telephone services currently provided by the WorldCom Applicants to STS customers.

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<sup>3</sup> 47 C.F.R. §§ 63.04 & 63.18(e)(3). *See* In the Matter of Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations, Report and Order, CC Docket No. 01-150 (rel. Mar. 21, 2002).

Applicants emphasize that the proposed transaction will be virtually transparent to existing customers with respect to the services that they receive. Following the transition of the STS business from WorldCom to Cypress, Cypress will provide service to the STS customers under the same rates, terms and conditions as those customers currently receive service from the WorldCom Applicants. In accordance with applicable requirements, Applicants have notified all but approximately 175 customers of the proposed transaction. Applicants are in the process of notifying these remaining customers and expect to finalize this process within the next few days. Service to these customers will not be transferred until the requisite approval and notice periods have elapsed. Cypress Operating Company will file the notice and certification required by section 64.1120(e) of the Commission's rules upon completion of the notice process. Applicants seek to complete the proposed transaction on an expedited basis so that the transition can be made to a service provider who is focused on the shared tenant service line of business and who can integrate the acquired operations into its existing STS business and thereby expand and improve its ability to offer valuable high quality service to this market segment.

### **III. DESCRIPTION OF CYPRESS**

Cypress is a leading provider of premium bundled telecommunications services to small- and medium-sized businesses located in multi-tenant office buildings throughout the United States. Cypress offers customized, fully integrated premium service bundles that may include some combination of high speed Internet connectivity, e-mail services, fully managed firewall services, web hosting, virtual private networks, feature rich digital desktop stations, local, long distance and toll free services, calling cards, audio and web conferencing and digital business television. Cypress delivers these services over state-of-the-art fiber optic, digital, and broadband networks that it designs, constructs, owns, and operates inside large- and medium-

sized office buildings. Cypress's STS service greatly reduces its customers' administrative burdens by eliminating the need to manage multiple vendors, and offer a wide variety of communications solutions. The company prides itself on superior customer service and responsiveness, and it dedicates a team of in-building or near-building support specialists to each customer so all their service needs receive immediate attention.

Cypress Operating Company is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located at 15 Piedmont Center, 3575 Piedmont Road, Suite 100, Atlanta, Georgia 30305. Cypress Operating Company is a wholly owned subsidiary of Cypress Communications, which, in turn, is a wholly owned subsidiary of U.S. RealTel, Inc. ("U.S. RealTel"). U.S. RealTel is a publicly traded corporation organized under the laws of the State of Delaware with its principal place of business also located at 15 Piedmont Center, 3575 Piedmont Road, Suite 100, Atlanta, Georgia 30305.

#### **IV. APPLICANTS' REQUEST FOR STREAMLINED TREATMENT UNDER SECTIONS 63.03 AND 63.12 OF THE COMMISSION'S RULES**

For the reasons set forth below, Applicants respectfully submit that the requests for Section 214 authorization set forth herein qualify for treatment under the Commission's streamlined procedures set forth in Sections 63.03 and 63.12 of the Commission's rules.

##### **A. Request for Section 214 authorization pursuant to Section 63.18(e)(3) to transfer certain telecommunications services of WorldCom to Cypress Operating Company**

Applicants submit that Cypress Operating Company has no affiliation with, and itself is not, a foreign carrier in any country where it intends to provide service. Cypress Operating Company therefore qualifies for a presumption of non-dominance under Section 63.10(a)(1) of the

Commission's rules.<sup>4</sup> Accordingly, this Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules.

**B. Request for Section 214 authorization pursuant to Section 63.04 to transfer certain telecommunications services of WorldCom to Cypress Operating Company**

Applicants submit that the proposed transaction would result in Cypress Operating Company having a market share in the interstate, interexchange market of less than 10 percent, and Cypress Operating Company would provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. Further, neither of the Applicants is dominant with respect to any service. Accordingly, this Application qualifies for streamlined processing pursuant to Section 63.03 of the Commission's rules.

**V. INFORMATION REQUIRED BY SECTIONS 63.04 AND 63.18(e)(3)**

Applicants submit the following information in support of their requests for Section 214 authorization pursuant to Section 63.04 and 63.18(e)(3) of the Commission's rules.

**(a) Name, Address and Telephone Number of Each Applicant**

Transferors: MCI WorldCom Communications, Inc. ("MCI WorldCom")  
500 Clinton Center Drive  
Clinton, Mississippi 39056  
(601) 360-8600

MCI WorldCom Communications of Virginia, Inc.  
500 Clinton Center Drive  
Clinton, Mississippi 39056  
(601) 360-8600

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<sup>4</sup> 47 C.F.R. § 63.10(a)(1).

Intermedia Communications, Inc. ("Intermedia")  
500 Clinton Center Drive  
Clinton, Mississippi 39056  
(601) 360-8600

Intermedia Communications of Virginia, Inc.  
500 Clinton Center Drive  
Clinton, Mississippi 39056  
(601) 360-8600

Access Network Services, Inc.  
500 Clinton Center Drive  
Clinton, Mississippi 39056  
(601) 360-8600

Transferee: Cypress Communications Operating Company, Inc.  
15 Piedmont Center, Suite 100  
3575 Piedmont Road  
Atlanta, Georgia 30305  
(404) 869-2500

(b) State of Organization

Transferors: MCI WorldCom and Intermedia are organized under the laws of the State of Delaware. MCI WorldCom Communications of Virginia, Inc. and Intermedia Communications of Virginia, Inc. are organized under the laws of the Commonwealth of Virginia. Access Network Services, Inc. is organized under the laws of the State of Texas.

Transferee: Cypress Operating Company is organized under the laws of the State of Delaware.

(c) Contact persons for this Application

Questions or inquiries concerning this Application may be directed to:

Jean L. Kiddoo  
Kathy L. Cooper  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007-5116  
(202) 424-7834 (Tel)  
(202) 424-7645 (Fax)



with a copy to:

Karen M. Johnson  
WorldCom, Inc.  
1133 19<sup>th</sup> Street, N.W.  
Washington, D.C. 20036  
(202) 736-6453 (Tel)  
(202) 736-6492 (Fax)

and:

Deena Snipes  
Cypress Communications Operating Company, Inc.  
15 Piedmont Center,  
3575 Piedmont Road,  
Atlanta, Georgia 30305  
(404) 442-0043 (Tel)  
(404) 442-0057 (Fax)

(d) Section 214 Authorizations

Transferor: MCI WorldCom is authorized to provide domestic interstate common carrier services pursuant to blanket authority under Section 63.01 of the Commission's rules. MCI WorldCom also holds international Section 214 authority to provide (1) limited global facilities-based and global resale service,<sup>5</sup> (2) switched resale,<sup>6</sup> (3) private line resale,<sup>7</sup> and (4) facilities-based service to Israel.<sup>8</sup>

MCI WorldCom Communications of Virginia, Inc. is authorized to provide domestic interstate common carrier services pursuant to blanket authority under Section 63.01 of the Commission's rules.

<sup>5</sup> FCC File No. ITC-214-19961212-00626 (old File No. ITC-96-684) (January 31, 1997); *see also* File Nos., ITC-ASG-19970904-00532 and ITC-TC-19970904-00531 (transfer of MFS Communications, Inc. to WorldCom, Inc.). The FCC was advised of the name change from MFS Intelenet, Inc. to WorldCom Technologies, Inc. by letter dated July 25, 1997. The FCC was advised of the name change from WorldCom Technologies, Inc. to MCI WorldCom Communications, Inc. by letter dated June 23, 1999.

<sup>6</sup> File No. ITC-93-085 (transferred from MFS Network Technologies, Inc., File No. ITC-97-531-TC). The FCC was advised of the name change from WorldCom Technologies, Inc. to MCI WorldCom Communications, Inc. by letter dated June 23, 1999.

<sup>7</sup> File No. ITC-93-154.

<sup>8</sup> File No. ITC-214-19961231-00659 (old File No. 97-008) (May 23, 1997). The FCC was advised of the name change from WorldCom Technologies, Inc. to MCI WorldCom Communications, Inc. by letter dated June 23, 1999.

MCI WorldCom Communications of Virginia, Inc. is not authorized to provide international telecommunications services.

Intermedia is authorized to provide domestic interstate common carrier services pursuant to blanket authority under Section 63.01 of the Commission's rules. Intermedia also holds international Section 214 authority to provide (1) global resale services,<sup>9</sup> (2) global facilities-based services,<sup>10</sup> (3) international voice, video and data services via PanAmsat,<sup>11</sup> (4) resale of non-interconnected private line services,<sup>12</sup> (5) international simple resale to Canada,<sup>13</sup> (6) facilities-based service to Canada,<sup>14</sup> (7) fax, data, and IMTS services via resold private lines to Canada,<sup>15</sup> and (8) video and audio service to Canada.<sup>16</sup>

Intermedia Communications of Virginia, Inc. is authorized to provide domestic interstate common carrier services pursuant to blanket authority under Section 63.01 of the Commission's rules. Intermedia Communications of Virginia, Inc. is not authorized to provide international telecommunications services.

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<sup>9</sup> FCC File Nos. ITC-214-19960619-00256 (old File No. ITC-96-344) (Aug. 2, 1996). Intermedia was previously known as Intermedia Communications of Florida, Inc. The FCC was advised of the name change by letter dated August 28, 1997.

<sup>10</sup> FCC File No. ITC-214-19960718-00326 (old File No. ITC-96-400) (Sept. 3, 1996). Intermedia was previously known as Intermedia Communications of Florida, Inc. The FCC was advised of the name change by letter dated August 28, 1997.

<sup>11</sup> FCC File No. ITC-96-339 (Aug. 22, 1994). Intermedia was previously known as Intermedia Communications of Florida, Inc. The FCC was advised of the name change by letter dated August 28, 1997.

<sup>12</sup> FCC File No. ITC-94-258 (June 24, 1994). Intermedia was previously known as Intermedia Communications of Florida, Inc. The FCC was advised of the name change by letter dated August 28, 1997.

<sup>13</sup> FCC File No. ITC-91-050 (Oct. 8, 1992). *See also* FCC File No. ITC-98-218-AL (June 5, 1996) (assignment of license from EMI Communications Corp. to Intermedia); FCC File No. ITC-ASG-19960322-00117 (old File No. ITC-96-218-AL) (*pro forma* assignment of license from EMI to Intermedia); FCC File No. ITC-T/C-19960712-003-2 (old File No. ITC-96-375-TC) (*pro forma* assignment of license from EMI to Intermedia).

<sup>14</sup> FCC File No. ITC-93-303 (Dec. 17, 1993). *See also* FCC File No. ITC-98-218-AL (June 5, 1996) (assignment of license from EMI Communications Corp. to Intermedia); FCC File No. ITC-ASG-19960322-00117 (old File No. ITC-96-218-AL) (*pro forma* assignment of license from EMI to Intermedia); FCC File No. ITC-T/C-19960712-003-2 (old File No. ITC-96-375-TC) (*pro forma* assignment of license from EMI to Intermedia).

<sup>15</sup> FCC File No. ITC-94-015 (Jan. 13, 1994). *See also* FCC File No. ITC-98-218-AL (June 5, 1996) (assignment of license from EMI Communications Corp. to Intermedia); FCC File No. ITC-ASG-19960322-00117 (old File No. ITC-96-218-AL) (*pro forma* assignment of license from EMI to Intermedia); FCC File No. ITC-T/C-19960712-003-2 (old File No. ITC-96-375-TC) (*pro forma* assignment of license from EMI to Intermedia).

<sup>16</sup> FCC File No. ITC-93-041 (Apr. 14, 1993). *See also* FCC File No. ITC-98-218-AL (June 5, 1996) (assignment of license from EMI Communications Corp. to Intermedia); FCC File No. ITC-ASG-19960322-00117 (old File No. ITC-96-218-AL) (*pro forma* assignment of license from EMI to Intermedia); FCC File No. ITC-T/C-19960712-003-2 (old File No. ITC-96-375-TC) (*pro forma* assignment of license from EMI to Intermedia).

Access Network Services, Inc. is authorized to provide domestic interstate common carrier services pursuant to blanket authority under Section 63.01 of the Commission's rules. Access Network Services, Inc. also holds an international Section 214 authority to resell public switched services.<sup>17</sup>

Transferee: Cypress Operating Company is authorized to provide domestic interstate common carrier services pursuant to blanket authority under Section 63.01 of the Commission's rules. Cypress Operating Company also holds an international Section 214 authority to provide global or limited global facilities-based and resale services.<sup>18</sup>

- (h) The following entity directly or indirectly owns ten percent (10%) or more of the equity of Cypress Operating Company:

Name:	Cypress Communications, Inc.
Address:	15 Piedmont Center, Suite 100 3575 Piedmont Road Atlanta, Georgia 30305
Citizenship:	U.S.
Percentage Owned:	100%
Principal Business:	Telecommunications

The following entity directly or indirectly owns ten percent (10%) or more of Cypress Communications, Inc.:

Name:	U.S. RealTel, Inc.
Address:	15 Piedmont Center, Suite 100 3575 Piedmont Road Atlanta, Georgia 30305
Citizenship:	U.S.
Percentage Owned:	100%
Principal Business:	Telecommunications

<sup>17</sup> FCC File No. ITC-95-400 (Aug. 14, 1995). See also FCC File No. ITC-T/C-19971219-00800 (old File No. ITC-98-007-TC) (Feb. 23, 1998) (transferring control of Access Network Services, Inc. to Intermedia).

<sup>18</sup> FCC File No. ITC-214-20000413-00203 (May 17, 2000). See also FCC File No. ITC-T/C-20020522-00297 (accepted for filing June 21, 2002) (application for indirect transfer of control to U.S. RealTel).

The following persons or entity directly or indirectly owns ten percent (10%) or more of U.S. RealTel, Inc.:

Name: Ross J. Mangano  
Address: 112 W. Jefferson Street, Ste. 613  
South Bend, Indiana 46601  
Citizenship: U.S.  
Percentage Owned: 21%  
Principal Business: Individual

Name: Jo & Co  
Address: 112 W. Jefferson Street, Ste. 613  
South Bend, Indiana 46601  
Citizenship: U.S.  
Percentage Owned: 16%  
Principal Business: Investment

Name: Jordan E. Glazov  
Address: 24714 Nodding Flower Court  
Barrington, Illinois 60010  
Citizenship: U.S.  
Percentage Owned: 11%  
Principal Business: Individual

Name: Perry H. Ruda  
Address: 5030 Champion Blvd., G-6, #270  
Boca Raton, Florida 33496  
Citizenship: U.S.  
Percentage Owned: 10%  
Principal Business: Individual

The following individuals hold a ten percent (10%) or greater direct or indirect ownership interest in Jo & Co.

Name: Oliver Cunningham  
Address: Cottage 46  
Harbor Springs, Michigan 49740  
Citizenship: U.S.  
Percentage owned: 25%  
Principal Business: Individual

Name: Anne McClure  
Address: Cottage 86  
Harbor Springs, Michigan 49740  
Citizenship: U.S.  
Percentage owned: 25%

Principal Business: Individual

Name: Jane Warner  
 Address: 79 Puffin Lane  
 Pajaro Dunes  
 Watsonville, California 95076

Citizenship: U.S.  
 Percentage owned: 25%  
 Principal Business: Individual

No other person or entity directly or indirectly owns ten percent (10%) or more of the equity of Cypress Operating Company.

Cypress Operating Company does not have any interlocking directorates with a foreign carrier. There are no interlocking officers and directors of either U.S. RealTel, Inc. or Jo & Co. with foreign carriers.

- (i) Cypress Operating Company certifies that it is not a foreign carrier, as defined in Section 63.09(d) of the Commission's rules. In addition, Cypress Operating Company certifies that it is not affiliated with a foreign carrier within the meaning of Section 63.09(e) of the Commission's rules.
- (j) Cypress Operating Company certifies that it does not seek to provide international telecommunications services to any destination country to which paragraphs (j)(1)-4 of Section 63.18 of the Commission's Rules apply.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) Cypress Operating Company certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, directly or indirectly, from any foreign carrier where the foreign carrier, as defined in Section 63.09(d) of the Commission's Rules, with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market, and will not enter into such agreements in the future.
- (o) Cypress Operating Company certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853a), that no party to this Joint Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

- (p) Applicants submit that Cypress Operating Company has no affiliation with, and itself is not, a foreign carrier in any country where it intends to provide service. Cypress Operating Company therefore qualifies for a presumption of non-dominance under Section 63.10(a)(1) of the Commission's rules. Accordingly, this Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules.

## **VI. INFORMATION REQUIRED BY SECTION 63.04**

With respect to Applicants' request for domestic Section 214 authority pursuant to Section 63.04 of the Commission's rules to transfer certain telecommunications services of WorldCom to Cypress Operating Company, attached hereto as **Attachment 1** is the information required under paragraphs (a)(6) through (a)(12) of Section 63.04 of the Commission's rules.


## VII. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully submitted,

Karen M. Johnson  
Associate Counsel  
WorldCom, Inc.  
1133 19<sup>th</sup> Street, N.W.  
Washington, D.C. 20036  
(202) 736-6453 (Tel)  
(202) 736-6492 (Fax)

Gregory P. McGraw  
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By:   
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(202) 424-7645 (Fax)

COUNSEL FOR APPLICANTS

Dated: July 1, 2002

**ATTACHMENT 1**

**INFORMATION REQUIRED BY SECTION 63.04**



Pursuant to Section 63.04(b) of the Commission's rules to transfer certain telecommunications services of WorldCom to Cypress Operating Company, the information required under paragraphs (a)(6) through (a)(12) of Section 63.04 of the Commission's rules is provided below:

**(a)(6) Description of the Transaction**

Through the proposed transaction, Cypress proposes to acquire and operate WorldCom's existing shared tenant service operations. Specifically, Cypress Communications, WorldCom and certain WorldCom subsidiaries have entered into an Asset Purchase Agreement dated as of May 31, 2002, whereby WorldCom will assign to Cypress through an asset sale WorldCom's STS operations, including approximately 6000 business and residential customers located in Alabama, Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin.<sup>19</sup> This application seeks approval to transfer to Cypress Operating Company the local and long distance services provided to WorldCom's STS customers by the WorldCom Applicants as part of the transaction to transfer the STS business to Cypress. As noted previously, the proposed transaction will be virtually transparent to existing customers in terms of the services they receive, and will not affect the rates, terms and conditions of any of the existing customers. Cypress and WorldCom will cooperate to allow each Applicant to complete the arrangements necessary (such as any required tariff adoption for Cypress or any necessary WorldCom contract assignments) to ensure that customers continue to receive uninterrupted services from Cypress that are the same as

the service those customers currently receive from WorldCom. The proposed transaction also contemplates the assignment of the necessary physical plant and equipment currently used by WorldCom to provide its shared tenant services to the customers. In addition, in compliance with FCC and applicable state rules, Applicants are in the process of notifying all affected customers. The proposed transaction will not affect the manner in which WorldCom and its various operating subsidiaries, including the WorldCom Applicants, otherwise provide telecommunications service in the United States generally. Shared tenant services represent only a very small part of WorldCom's existing local and long distance business in the United States. Other WorldCom customers will not be affected in any way by the transaction. Therefore, Applicants do not seek authority through this Application to transfer or relinquish any of the WorldCom Applicants' existing Section 214 authorizations.

**(a)(7) Geographic Areas Affected**

WorldCom Applicants provide local and long distance telecommunications services on a nationwide basis. Cypress Operating Company is authorized to provide or has applications pending to provide interexchange and local exchange services in multiple states nationwide. The long distance services that are the subject of this application are provided to STS customers located in Alabama, Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin.

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<sup>19</sup> A copy of the Agreement will be provided to the Commission upon request.

**(a)(8) Application is Qualified for Streamlined Processing**

Applicants submit that the proposed transaction would result in Cypress Operating Company having a market share in the interstate, interexchange market of less than 10 percent, and Cypress Operating Company would provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. Further, none of the Applicants is dominant with respect to any service. Accordingly, this Application qualifies for streamlined processing pursuant to Section 63.03 of the Commission's rules.

**(a)(9) Other FCC Applications**

While Applicants have not filed any other applications with the FCC related to this transaction, Cypress Operating Company will file the notice and certification required by Section 64.1120 of the Commission's rules regarding the transfer of presubscribed customers upon completion of the notification process.

**(a)(10) Special Consideration**

Applicants are not requesting special consideration because either party to the transaction is facing imminent business failure. Applicants do seek streamlined processing so that they can complete the proposed transaction as soon as possible.

**(a)(11) Waiver Requests**

Applicants have not filed any waiver requests in conjunction with the proposed transaction.

**(a)(12) Public Interest Considerations**

Applicants submit that the proposed transaction serves the public interest. The proposed transaction is expected to invigorate competition in the affected states. Through the transaction, Cypress will obtain STS assets and customers which will expand the company's client base,

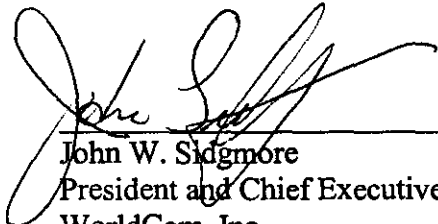
provide Cypress a greater presence in the STS segment of the telecommunications market in many states and thereby make Cypress a more viable competitor in those markets.

The transaction will not adversely impact existing WorldCom customers. The proposed transaction is structured to assure an orderly transition of the STS customers from the WorldCom Applicants to Cypress, a company that specializes in the provision of in-building services to commercial customers. Moreover, given that Cypress proposes to provide service on the same rates, terms and conditions of the services that the WorldCom Applicants currently provide and that the transaction will not involve a change in the equipment through which that service is provided, Applicants expect the transaction to be virtually transparent to customers. The WorldCom Applicants' shared tenant customers are being notified of the transaction and the change in their telecommunications provider from WorldCom Applicants to Cypress.

**CERTIFICATION**

I, John W. Sidgmore, President and Chief Executive Officer of WorldCom, Inc., parent company of MCI WorldCom Communications, Inc., MCI WorldCom Communications of Virginia, Inc., Intermedia Communications, Inc., Intermedia Communications of Virginia, Inc., and Access Network Services, Inc. (collectively the "WorldCom Applicants"), hereby certify, under the penalty of perjury that the statements in the foregoing section 214 application for the transfer of certain telecommunications services from the WorldCom Applicants to Cypress Communications Operating Company, Inc. is true, complete, and correct to the best of my knowledge and are made in good faith.

WorldCom, Inc.

  
\_\_\_\_\_  
John W. Sidgmore  
President and Chief Executive Officer  
WorldCom, Inc.

7/1/02  
Date

**CERTIFICATION**

I, Gregory P. McGraw, President and Chief Operating Officer of Cypress Communications Operating Company, Inc., hereby certify, under the penalty of perjury that the statements in the foregoing section 214 application for the transfer of certain telecommunications services from MCI WorldCom Communications, Inc., MCI WorldCom Communications of Virginia, Inc., Intermedia Communications, Inc., Intermedia Communications of Virginia, Inc., and Access Network Services, Inc. to Cypress Communications Operating Company, Inc. is true, complete, and correct to the best of my knowledge and are made in good faith.

Cypress Communications Operating Company, Inc.



Gregory P. McGraw  
President & Chief Operating Officer

Cypress Communications Operating Company, Inc.

6/17/02  
Date